

A Consumer's Guide to Homeowner's Insurance in the State of Hawaii

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GENERAL INFORMATION

Homeowner's insurance is not required by law in Hawaii. Your lender, however, may require insurance on your home for the duration of your mortgage. Homeowner's insurance provides protection for your dwelling, personal property, and on-site buildings if damaged or destroyed by a covered peril. Perils are events (i.e. fire and explosion) which cause damage to property. Aside from property coverage for your home and outbuildings, each policy usually contains four additional coverages: personal property, additional living expenses, personal liability, and medical payments.

This guide provides a general overview of homeowner's insurance in Hawaii and is not intended to replace reviewing your policy. Keep in mind, insurers may have varying definitions of policy language and charge different rates for the same coverage. We encourage you to review your policy with your insurance agent to ensure your current provisions best suit your coverage needs.

TYPES OF HOMEOWNER'S INSURANCE POLICY FORMS

While coverage descriptions may vary, most insurers use one or more of the following policy forms. Comprehensive Form (HO-5), not listed, provides the broadest coverage but is uncommon.

HOMEOWNER'S POLICY FORMS			RENTER'S POLICY FORM	UNIT-OWNER'S POLICY FORM
BASIC FORM (HO-1) Named peril coverage: fire, lightning, windstorm excluding hurricane, hail, explosion, vandalism or malicious mischief, damage by vehicles, aircraft and riots. Since few homeowners select this limited policy, many insurers no longer offer Form HO-1.	BROAD FORM (HO-2) In addition to the Basic Form (HO-1) coverages, this form also insures a home and personal property for collapse or damage from falling trees and other objects, and (under certain conditions) from steam and water damage.	SPECIAL FORM (HO-3) Open peril coverage excluding the following: flood, surface water, sewer backups, tidal waves, earthquakes, landslides, war, nuclear radiation, and hurricane. Personal property only covered for the same perils as the Broad Form (HO-2).	CONTENTS BROAD FORM (HO-4) This policy provides renters personal property protection against the same perils as the Broad Form (HO-2) and includes personal liability protection. Unlike the other policy forms, the renter's HO-4 form only incorporates coverages C through F.	CONDO OWNERS FORM (HO-6) This condominium and townhouse unit owners form offers coverage for personal property and interior finishes. The condo association typically purchases a separate policy that covers the building (including common walls and grounds) and associated liability.
>>>>>>>>>>>> Generally, as coverage increases so does your premium >>>>>>>>>>>>				

POLICY COVERAGES

Every homeowner's policy (except for HO-4) includes the following six coverages. If your policy's standard coverage is inadequate, endorsements may offer specialized coverage to meet your needs.

Section I	Coverage A: Covers main house damage. The coverage limit is typically set at or near the replacement cost of the home. For Condo Unit-Owners (HO-6), limit usually the declared value by insured.
	Coverage B: Covers damage to other structures on the lot, such as detached garages/carports and storage sheds.
	Coverage C: Covers damage to or loss of personal property.
	Coverage D: Covers additional living expenses (incurred by the insured) to continue the "normal" standard of living when the house cannot be occupied due to a covered loss.
Sec II	Coverage E: Covers personal liability exposures. Protects against a claim/lawsuit resulting from (non-auto & non-business) bodily injury or property damage to others caused by your negligence.
	Coverage F: Regardless of who is at fault, this coverage pays for reasonable medical expenses for persons (other than you or residing family members) accidentally injured on your property.

TYPES OF VALUATION

Replacement cost is the amount necessary to replace, rebuild, or repair your home/property without deducting for depreciation. Depreciation is the decrease in an asset's value due to age, obsolescence, and/or "wear and tear." Many insurers require policyholders to insure their homes for at least 80% of its replacement value.

Actual cash value (ACV) is the cost to replace, rebuild, or repair your home/property after deducting for depreciation. Most homeowner policies cover personal property on an ACV basis.

PREMIUM DEVELOPMENT CONSIDERATIONS (VARIES BY INSURER)

Your premium may be based on, but not limited to, the following factors: type of construction, loss prevention devices, public protection class, deductible level, amount of insurance, and policy form.

BUYING INSURANCE FOR YOUR HOME

The key to insurance comparison shopping is identifying your desired deductible levels, coverage limits and provisions before getting premium quotes. Once your ideal policy parameters are selected, the quotes you receive should be on an "apples to apples" comparative basis. After obtaining multiple premium quotes, your personal preference dictates the importance of the following considerations: premium cost, service and financial stability. Generally, financial ratings from reputable sources (i.e. A.M. Best and Moody's) indicate an insurance company's financial "health" and ability to pay claims.

Note: if your agent only represents one insurance company, you may need to contact an independent agent to obtain competing quotes.

SAMPLE ANNUAL HOMEOWNERS INSURANCE PREMIUMS - OAHU



The Hawaii Insurance Division of the Department of Commerce and Consumer Affairs provides this sample premium comparison of licensed insurance companies transacting Homeowners insurance in Hawaii as part of our continuing effort to assist and educate consumers.

OAHU - SAMPLE ANNUAL HOMEOWNERS PREMIUMS

OAHU - SAMPLE ANNUAL HOMEOWNERS HURRICANE PREMIUMS

HO POLICY (HO-3) ASSUMPTIONS	DWELLING CHARACTERISTICS		
Coverage A: \$290,000 B: 10% of Coverage A C: 50% of Coverage A (ACV) D: 20% of Coverage A Section II (Liability): \$150,000 Deductible: \$500 Rates effective as of December 1, 2014	Year Built: 1972 Construction: Wood (Single-wall) Roof: Hip, asphalt shingle Elevation: 15' above sea-level Add'l Factors: Primary residence No claims in 5 yrs.	2005 Wood (Double-wall) Hip, asphalt shingle 15' above sea-level Primary residence No claims in 5 yrs.	1990 Masonry (CMU) Flat, torched membrane 15' above sea-level Primary residence No claims in 5 yrs.

Hurricane insurance supplements your homeowner's policy by covering property damage due to hurricanes. For information about homeowner's hurricane insurance, please visit www.hawaii.gov/dcca/ins/hurricane-insurance.html

HURRICANE POLICY	DWELLING CHARACTERISTICS (same as HOMEOWNERS)			
Replacement Cost: \$290,000 Deductible: DED (below) Rates effective as of December 1, 2014	Construction: Wind R Devices: R = Resistive	Wood (Single-wall) None	Wood (Double-wall) Hurricane roof clips Foundation anchors	Masonry (CMU) Hurricane roof clips

NAIC Co. Code	Insurance Company	Public Protection Class*		Public Protection Class*		Public Protection Class*	
		3	10	3	10	3	10
12502	Dongbu Insurance Company, Ltd.	228	324	192	273	228	324
10938	First Security Insurance of Hawaii, Inc.	250	357	200	285	250	357
10805	American Pacific Insurance Company	306	464	215	341	306	457
41742	First Insurance Company of Hawaii, Ltd.	271	388	217	310	271	388
11689	Island Premier Insurance Company, Ltd.	289	398	219	300	262	398
28487	Farmers Insurance Hawaii, Inc.	361	539	221	342	361	539
41734	First Indemnity Insurance of Hawaii, Inc.	303	433	242	346	303	433
41726	First Fire and Casualty Insurance of Hawaii	303	433	242	346	303	433
10861	Universal Property & Casualty Insurance Company	266	381	242	346	218	311
22853	Tradewind Insurance Company, Limited	380	526	286	395	343	526
10759	Universal North America Insurance Company	323	DNW	300	DNW	300	DNW
37265	DTRIC Insurance Company, Limited	327	361	327	361	327	361
21105	North River Insurance Co.	353	492	332	463	353	492
22845	Island Insurance Company, Limited	447	619	337	465	404	619
25180	Stillwater Insurance Company	410	519	357	452	410	463
23035	Liberty Mutual Fire Ins Co	413	521	376	475	356	461
21113	United States Fire Insurance Co	402	560	378	526	402	560
15598	Interinsurance Exchange of the Automobile Club	394	484	394	484	394	484
29068	IDS Property Casualty Insurance	445	564	406	515	362	474
12767	Hawaiian Insurance and Guaranty Company Limited	409	567	409	567	409	567
19232	Allstate Insurance Company	472	569	472	569	431	538
25143	State Farm Fire and Casualty Company	492	581	492	581	408	480
13056	RLI Insurance Company	616	875	525	745	616	875
31348	Crum & Forster Indemnity Co	544	759	544	759	544	759
19615	American Reliable Insurance Company	563	789	563	789	563	789
26298	Metropolitan Property & Casualty Insurance Company	610	855	573	804	580	813
12873	Privilege Underwriters Reciprocal Exchange	600	1015	600	1015	563	963
21873	Fireman's Fund Insurance Company	1065	1182	1044	1159	1065	1182
25941	United Services Automobile Association	1251	1433	1251	1433	1617	1860
25968	USAA Casualty Insurance Company	1263	1428	1263	1428	1624	1850
20281	Federal Insurance Company	1546	2776	1546	2776	1546	2776
20346	Pacific Indemnity Company	1546	2776	1546	2776	1546	2776
18600	USAA General Indemnity Company	1587	1818	1587	1818	2019	2321
25623	The Phoenix Insurance Company	1743	2439	1743	2439	1743	2439
25658	The Travelers Indemnity Company	1743	2439	1743	2439	1743	2439

NAIC Co. Code	Insurance Company	P.P.C.	Premium (\$)	Premium (\$)	Premium (\$)
			Wood (Single-wall)	Wood (Double-wall)	Masonry (CMU)
11932	White Pine Insurance Company	2%	1512	349	337
12873	Privilege Underwriters Reciprocal Exchange	2%	1511	360	643
10799	GeoVera Insurance Company	2%	1601	368	426
11026	Zephyr Insurance Company	2%	2076	431	500
12573	Centauri Specialty Insurance Company	2%	2213	505	615
12502	Dongbu Insurance Company, Ltd.	2%	1567	511	522
12767	Hawaiian Insurance and Guaranty Company Lim	2%	1485	581	564
10861	Universal Property & Casualty Insurance Compa	2%	1734	651	587
25180	Stillwater Insurance Company	2%	794	691	435
15598	Interinsurance Exchange of the Automobile Club	2%	1712	811	633
37273	Axis Insurance Company	2%	2426	845	988
29068	IDS Property Casualty Insurance	5%	953	953	764
25968	USAA Casualty Insurance Company	2%	1862	1009	1153
25941	United Services Automobile Association	2%	1982	1074	1227
19615	American Reliable Insurance Company	2%	1089	1089	1089
25143	State Farm Fire and Casualty Company	2%	1438	1154	1064
18600	USAA General Indemnity Company	2%	2421	1311	1499
13056	RLI Insurance Company	2%	1704	1448	1471
25623	The Phoenix Insurance Company	2%	2446	2446	2446
25658	The Travelers Indemnity Company	2%	2446	2446	2446

DNW = Does Not Write

OAHU - SAMPLE HOMEOWNERS WITH HURRICANE COVERAGE INCLUDED

Assumptions and Dwelling Characteristics Same as Above							
NAIC Co. Code	Insurance Company	Public Protection Class*		Public Protection Class*		Public Protection Class*	
		3	10	3	10	3	10
14432	Family Security Insurance Company, Inc.	1764	2012	763	950	819	1028
30104	Hartford Underwriters Insurance Company	1039	1139	774	848	1069	1173
18279	Bankers Standard Insurance Company	1598	2284	1598	2284	1512	2027

<<<<<< **These sample premiums INCLUDE Hurricane coverage** >>>>>>

SAMPLE PREMIUM VS. YOUR CURRENT OR PROSPECTIVE HOMEOWNERS PREMIUM

Your Homeowners insurance premium may be affected by, but not limited to, the following considerations: coverage limits, deductible levels, loss preventative devices (i.e. security system) and previous claims. Each insurer may have unique rating factors associated with these risk classifications so your current or quoted premium could vary from these sample indications. Please contact your agent to obtain quotes that account for your home's specific attributes and desired coverage provisions.

*WHAT IS A PUBLIC PROTECTION CLASSIFICATION?

Public Protection Classification (PPC) is a rating criterion that measures a community's fire protection capabilities. PPC community grading is based on Fire Department characteristics, available water supply, and communication system. The majority of Oahu properties are classified as a **PPC 3**. If you live in Tantalus or Waiialua, please contact your agent to verify your property's classification. Generally, dwellings located more than 5 road miles from a recognized fire station and 1000 feet from a 4" hydrant are a PPC 10.

